

**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.**       3    
**Mtg. Date**   September 5, 2017  
**Dept.**       Public Works

**Item Title:**   **Approval of the Fiscal Year 2017-2018 Road Maintenance Rehabilitation Account Funding Allocation**

**Staff Contact:**   Mike James, Assistant City Manager / Public Works Director

**Recommendation:**

Adopt a resolution (**Attachment B**) approving the Fiscal Year 2017-2018 Road Maintenance Rehabilitation Account Funding Allocation.   |

**Item Summary:**

In 2017, the Road Repair and Accountability Act of 2017 (SB 1) was created to establish a new funding source in California's transportation system. This bill established a Road Maintenance and Rehabilitation Account (RMRA) in the State Transportation Fund that is intended to address deferred maintenance on the state highway system and the local street and road system. A requirement of SB1 is for each entity to declare what it plans to use the funds for each year.

The staff report (**Attachment A**) outlines how revenues are allocated to local governments, defines what the eligible uses are, and establishes the annual eligible project list to meet the reporting requirements of SB 1.   |

**Fiscal Impact:**

In Fiscal Year 2017-2018, the City is anticipating receiving \$153,000 in RMRA funds.   |

**Environmental Review:**

<input checked="" type="checkbox"/> Not subject to review	<input type="checkbox"/> Negative Declaration
<input type="checkbox"/> Categorical Exemption, Section	<input type="checkbox"/> Mitigated Negative Declaration

**Public Information:**

<input checked="" type="checkbox"/> None	<input type="checkbox"/> Newsletter article	<input type="checkbox"/> Notice to property owners within 300 ft.
<input type="checkbox"/> Notice published in local newspaper	<input type="checkbox"/> Neighborhood meeting	

**Attachments:**

- A. Staff Report
- B. Resolution
- C. Projected FY 2017-18 Revenues
- D. Estimated Maintenance of Effort



## LEMON GROVE CITY COUNCIL STAFF REPORT

Item No. 3

Mtg. Date September 5, 2017

Item Title: **Approval of the Fiscal Year 2017-2018 Road Maintenance Rehabilitation Account Funding Allocation**

Staff Contact: **Mike James, Assistant City Manager / Public Works Director**

### **Discussion:**

In 2017, the Road Repair and Accountability Act (Act) of 2017 (SB 1) was created to establish a new funding source in California's transportation system. This bill established a Road Maintenance and Rehabilitation Account (RMRA) in the State Transportation Fund that is intended to address deferred maintenance on the state highway system and the local street and road system.

### Funding Details:

RMRA funds are derived from new gas tax, transportation improvement fees, and a portion of the diesel excise tax. The funds are continuously appropriated and apportioned to local governments monthly and not based on a reimbursement basis. The amount that any city may receive is allocated per capita with the first distribution expected in January 2018. The City is expected to receive an approximate total of \$150,355 in Fiscal Year 2017-2018 (FY 2017-18) (**Attachment C**).

### Eligible Uses of RMRA Funding:

The use of RMRA local streets and roads funds is similar to the Highway Users Tax Account (HUTA) use rules. Pursuant to Streets and Highway Code Section 2030, RMRA local streets and roads allocations must be used for projects that include, but are not limited to, the following:

- Road maintenance and rehabilitation,
- Safety projects,
- Railroad grade separations,
- Traffic control devices, and
- Complete street components, including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and storm-water capture projects in conjunction with any other allowable project.

RMRA funds may also be used to satisfy a match requirement to obtain state or federal funds for eligible projects. SB1 also contains non-obligatory intent language regarding the use of funds. To the extent possible and cost-effective cities and counties are to program a use that:

- Advanced recycling techniques that reduce greenhouse gas emissions,
- Automotive technologies, ZEV fueling, infrastructure-to-vehicle,
- Communications autonomous vehicle systems,
- Resiliency regarding climate change, fire, floods, sea level rise, and
- Complete street elements, access for bicycles, pedestrians.

# Attachment A

Lastly, if a city or county has an average pavement condition index that meets or exceeds 80, the city or county may spend its RMRA funds on transportation priorities other than the previously listed items (refer to Streets and Highways Code Section 2037).

## Maintenance of Effort (Streets and Highways Code Section 2036):

RMRA contains a local agency maintenance of effort (MOE) requirement that applies to funds allocated through the RMRA. The Act states that the MOE requirement is to ensure that these new road funds do not supplant existing levels of city and county general revenue spending on streets and roads.

In order to receive any RMRA funds in FY 2017-18 a city must expend on streets and roads, discretionary general fund revenues of at least the average that the city spent in FY 2009-10, FY 2010-11, and FY 2011-12 in FY 2017-18. There is no provision in the law for any proration of the MOE goal. This means that in FY 2017-18, the city will receive \$150,355 which will be less than the MOE expenditure requirement of \$301,668 (**Attachment D**). Looking forward to future fiscal years staff expects the RMRA funding amount will increase well above the MOE amount.

It is important to note that the city already contributes to a similar MOE for its use of TransNet funds. In August 2017, city staff confirmed with League of California Cities staff and that the TransNet MOE may also be considered to also satisfy RMRA MOE requirements. This is significant because almost half of the RMRA MOE has already been met due to the city's compliance with the TransNet MOE requirements. The table below shows the RMRA MOE, TransNet MOE, and the anticipated MOE need in FY 2017-18:

Description	Amount
RMRA MOE	(\$301,668)
TransNet MOE	(\$164,573)
Anticipated MOE Need in FY 2017-18	(\$137,095)

Staff is currently working on a plan to allocate the anticipate MOE need totaling \$137,095 as a part of the mid-year budgeting process.

## FY 2017-2018 Annual Project List:

Prior to receiving RMRA funds in a fiscal year, a city or county must submit to the California Transportation Commission (CTC) a project list pursuant to an adopted budget. The list must include for each project: description, location, schedule and useful life (Streets and Highways Code Section 2034(a)).

Additionally, the RMRA requires that a city or county submit to the CTC an annual report of project completion to receive RMRA funds. The report must include descriptions of all projects for which RMRA funds were expended including: description, location, funds expended, completion date, and estimated useful life of the project.

For FY 2017-18, staff is recommending the project list and funding plan is approved:

*Project Title:* Fiscal Year 2017-18 Street Rehabilitation Project.

*Project Description:* This project will support the City's annual street rehabilitation project.

# Attachment A

*Project Location:* There are numerous streets that make up the list. In following the City's last pavement management program recommendations, in addition to staff's recommendations, the streets are listed in **Attachment B – Exhibit 1**.

*Project Cost Allocation:* \$153,000.

*Proposed Schedule for Completion:* Fiscal Year 2017-18.

*Estimated Useful Life:* The streets useful life is anticipated to be equal to or greater than 10 years without major repair work required.

The draft criteria developed by the CTC required that the first round of projects to be funded with RMRA dollars be submitted no later than September 15, 2017. The proposed resolution is expected to be acceptable as confirmation that the project is in fact included in our CIP budget pursuant to a decision made at a regular public meeting. |

## **Conclusion:**

|That the City Council adopts a resolution (**Attachment B**) approving the Fiscal Year 2017-2018 Road Maintenance Rehabilitation Account Funding Allocation. |



## RESOLUTION NO. 2017 -

### RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA AMEND THE FISCAL YEAR 2017-2018 BUDGET TO PROGRAM ROAD MAINTENANCE AND REHABILITATION ACCOUNT FUNDS

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**WHEREAS**, SB 1 (2017-2018, Beall) established a Road Maintenance and Rehabilitation Account to address deferred maintenance on the state highway system and on the local street and road system; and

**WHEREAS**, SB 1 established requirements for holding local governments accountable for the efficient use of public funds to maintain public streets and roads; and

**WHEREAS**, SB 1 requires that eligible cities submit a list of projects proposed to be funded with these funds pursuant to an adopted city budget to the California Transportation Commission per criteria and per a schedule established by the Commission; and

**WHEREAS**, in Fiscal Year 2017-2018 the following project was identified as a proper use of Road Maintenance and Rehabilitation Account Funds:

*Project Title:* Fiscal Year 2017-2018 Street Rehabilitation Project.

*Project Description:* This project will allocate the City's entire annual allocation to support its annual street rehabilitation project.

*Project Location:* There are numerous streets that make up the list. In following the City's last pavement management program recommendations, in addition to staff's recommendations, those streets include were listed in *Exhibit 1*.

*Project Cost Allocation:* \$153,000.

*Proposed Schedule for Completion:* Fiscal Year 2017-2018.

*Estimated Useful Life:* The streets useful life is anticipated to be equal to or greater than 10 years without major repair work; and

**WHEREAS**, the City Council finds it in the public interest to approve the project list for Fiscal Year 2017-2018.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Lemon Grove, California: |

1. Amends the Fiscal Year 2017-2018 budget to program road maintenance and rehabilitation account funds; and
2. Authorizes the City Manager or her designee to expend the funds as programmed. |

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## Attachment B – Exhibit 1

### Fiscal Year 2017-2018 – Streets Identified for Treatment

Street Name	Boundaries
Barton Drive	Ensenada Street to Englewood Drive
Broadway	Grove Street to Lemon Grove Avenue
Broadway	Kempf Street to Easterly City Limits
Buena Vista Avenue	Broadway to San Miguel Avenue
Buena Vista Avenue	San Miguel Avenue to Main Street
Canton Drive	Skyline Drive to Washington Street
Central Avenue	Federal Boulevard to Main Street
College Ave and Federal Blvd	Intersection
Dayton Street	Englewood Drive to Nichals Street
El Prado Avenue	Mt. Vernon Street to San Pasqual Street
Glencoe Drive	Zemco Street to Jamacha Road
Larwood Road	Woodrow Avenue to Southerly City Limits
Lemon Grove Avenue	Palm Street to Southerly City Limits
Lemon Grove Avenue	Palm Street to Broadway
Lincoln Street	Skyline Drive to Washington Street
Lincoln Street	Washington Street to Golden Avenue
Main Street	Pacific Avenue to Central Avenue
Mt. Vernon Street	Main Street to Massachusetts Avenue
Mulder Street	Palm Street to Haven Drive
North Avenue	Harris Street to West Street
Palm Street	Golden Avenue to Skyline Drive
Sweetwater Road	Broadway to Southerly City Limits
Vista Avenue	Central Avenue to Broadway
Washington Street	Golden Avenue to Lincoln Street



## City of Lemon Grove – Fiscal Year 2017-18 Estimated Revenues

## Local Streets and Roads - Projected FY2017-18 Revenues

Based on State Dept of Finance statewide revenue projections as of May 2017

Estimated 11 May 2017

Highway Users	Tax Acct (HUTA) <sup>(1)</sup> Streets & Highways Code			Loan Repayment <sup>(6)</sup>	TOTAL HUTA	Road Maintnc Rehab Acct <sup>(7)</sup>	TOTAL
	Sec2103 <sup>(5)</sup>	Sec2105 <sup>(3)</sup>	Sec2106 <sup>(3)</sup>				
<b>SAN DIEGO COUNTY</b>							
CARLSBAD	498,778	671,711	410,677	868,388	10,000	129,214	2,588,767
CHULA VISTA	1,170,735	1,576,643	957,477	2,038,285	10,000	303,281	6,056,431
CORONADO	111,433	150,069	95,478	194,009	6,000	28,868	585,857
DEL MAR	18,877	25,422	20,161	32,865	1,000	4,890	103,216
EL CAJON	451,992	608,703	372,605	786,932	10,000	117,093	2,347,325
ENCINITAS	273,517	388,349	227,373	478,202	7,500	70,857	1,423,799
ESCONDIDO	665,862	896,724	546,640	1,159,286	10,000	172,498	3,451,010
IMPERIAL BEACH	121,188	163,178	103,399	210,957	5,000	31,390	636,092
LA MESA	264,923	356,774	220,378	461,238	7,500	68,631	1,378,445
LEMON GROVE	117,533	158,283	100,441	204,628	6,000	30,448	617,334
NATIONAL CITY	268,394	361,450	223,204	467,282	7,500	69,530	1,397,360
OCEANSIDE	777,110	1,046,543	637,167	1,352,972	10,000	201,318	4,025,110
POWAY	221,290	298,014	184,873	385,273	7,500	57,327	1,154,277
SAN DIEGO	6,146,617	8,277,725	5,006,565	10,701,446	20,000	1,592,344	31,744,696
SAN MARCOS	412,056	554,921	340,108	717,402	7,500	106,747	2,138,734
SANTEE	250,679	337,592	208,788	436,439	7,500	64,941	1,305,939
SOLANA BEACH	59,599	80,263	53,298	103,764	3,000	15,440	315,363
VISTA	436,794	588,236	360,238	760,472	7,500	113,156	2,266,396
<b>SAN FRANCISCO COUNTY</b>							
SAN FRANCISCO	3,827,438	5,154,458	3,119,350	6,663,685	20,000	991,537	19,776,468
<b>SAN JOAQUIN COUNTY</b>							
ESCALON	31,500	42,421	30,433	54,842	2,000	8,160	169,357
LATHROP	97,682	131,523	84,272	170,033	4,000	25,300	512,790
LODI	279,219	376,028	232,013	486,129	7,500	72,335	1,453,225
MANTACA	326,134	439,208	270,189	567,808	7,500	84,488	1,695,327
RIPON	65,032	87,579	57,719	113,222	4,000	16,847	344,398
STOCKTON	1,393,875	1,877,149	1,139,056	2,426,779	10,000	361,088	7,207,958
TRACY	394,005	530,611	325,419	685,975	7,500	102,071	2,045,581
<b>SAN LUIS OBISPO COUNTY</b>							
ARROYO GRANDE	78,313	105,464	68,526	136,344	4,000	20,288	412,935
ATASCADERO	136,383	183,669	115,781	237,447	6,000	35,331	714,612
EL PASO DE ROBLES	138,676	186,756	117,646	241,438	6,000	35,925	726,442
GROVER BEACH	59,171	79,686	52,950	103,018	3,000	15,329	313,152
MORRO BAY	47,356	63,775	43,335	82,448	3,000	12,288	252,182
PISMO BEACH	36,133	48,661	34,203	62,909	2,000	9,361	193,266
SAN LUIS OBISPO	203,685	274,305	170,547	354,622	6,000	52,767	1,061,926
							260,565
							1,322,491



## City of Lemon Grove – Estimated Maintenance of Effort

## Maintenance of Effort - General Fund for Streets &amp; Roads - Estimated Unofficial

*Road Maintenance and Rehabilitation Account per Streets & Hwys Code Sec 2036<sup>1</sup>*  
*revised est: 08/07/2017*

Streets and Roads Annual Report - Reported General Fund for Street Purposes		FY2009-10	FY2010-11	FY2011-12	Average	Adjustment	RMRA M.O.E.
<b>SAN DIEGO COUNTY</b>							
CARLSBAD	7,768,758	8,643,205	9,484,234	8,632,066			8,632,066
CHULA VISTA	4,284,581	4,845,643	4,416,013	4,515,412			4,515,412
CORONADO	1,130,992	1,467,113	1,298,946	1,299,017			1,299,017
DEL MAR	557,690	439,548	546,371	514,536			514,536
EL CAJON	2,562,928	1,961,613	1,710,408	2,078,316			2,078,316
ENCINITAS	2,983,335	4,715,373	6,504,348	4,734,352			4,734,352
ESCONDIDO	5,534,227	4,750,613	4,903,832	5,062,891			5,062,891
IMPERIAL BEACH	283,836	279,745	249,164	270,915			270,915
LA MESA	2,815,965	3,050,420	3,140,439	3,002,275			3,002,275
LEMON GROVE	247,142	271,524	386,339	301,668			301,668
NATIONAL CITY	2,073,854	4,280,361	1,878,084	2,744,100			2,744,100
OCEANSIDE	1,621,465	1,986,767	3,064,757	2,224,330			2,224,330
POWAY	1,378,976	1,477,763	1,309,212	1,388,650			1,388,650
SAN DIEGO	32,013,564	34,525,926	23,510,641	30,016,710			30,016,710
SAN MARCOS	5,277,365	5,499,837	5,594,791	5,457,331			5,457,331
SANTEE	720,361	641,629	788,451	716,814			716,814
SOLANA BEACH	716,800	1,020,641	934,373	890,605			890,605
VISTA	3,263,167	3,338,145	2,712,790	3,104,701			3,104,701
<b>SAN FRANCISCO COUNTY</b>							
SAN FRANCISCO	34,060,774	30,858,152	27,153,357	30,690,761			30,690,761
<b>SAN JOAQUIN COUNTY</b>							
ESCALON	485,821	225,909	238,194	316,641			316,641
LATHROP	66,760	0	0	22,253			22,253
LODI	1,129,948	1,382,113	1,063,781	1,191,947			1,191,947
MANTECA	1,513,358	1,090,716	768,606	1,124,227			1,124,227
RIPON	263,839	(1,523,972) <sup>2</sup>	0	87,946 <sup>2</sup>			87,946
STOCKTON	2,722,388	0	(18,097,962) <sup>2</sup>	907,463 <sup>2</sup>			907,463
TRACY	367,397	671,756	433,812	490,988			490,988
<b>SAN LUIS OBISPO COUNTY</b>							
ARROYO GRANDE	1,337,039	1,313,030	1,645,843	1,431,971			1,431,971
ATASCADERO	117,080	687,596	38,160	280,945			280,945
EL PASO DE ROBLES	1,263,548	1,317,288	771,728	1,117,521			1,117,521
GROVER BEACH	0	0	0	0			0
MORRO BAY	189,087	307,516	402,324	299,642			299,642
PISMO BEACH	488,414	540,340	647,868	558,874			558,874
SAN LUIS OBISPO	7,398,079	7,549,275	9,858,855	8,268,736			8,268,736

UPDATED 7 August 2017

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